

Reps. Charles B. Rangel (D-NY) and Pete Stark (D-CA) said that fiscal discipline helped bring the Medicare Trust Fund to the longest projected period of solvency in its history, and that it should not be abandoned now. Under the Medicare Trustees' new projections, the solvency of the Hospital Insurance (HI) Trust Fund that pays for Part A services is extended for four years - to 2029. Furthermore, the Trustees confirm that Medicare's short-term (2001-2010) outlook is favorable and continues to improve.

"Thanks to a commitment to fiscal discipline, Medicare is on the right path," said Rep. Rangel, the Ranking Democrat of the Committee on Ways and Means. "in 1993, when President Bush's father left office, the Medicare Trust Fund was expected to become insolvent in 1999. Thanks to years of fiscal discipline, the Medicare Trust Fund continues to grow stronger. We should not squander nearly a decade of progress in strengthening Medicare on an ill-advised, \$2 trillion-plus tax cut."

"This is good news for America's elderly and disabled individuals who rely on Medicare for health security," said Rep. Stark, the Ranking Democrat on the Ways and Means Health Subcommittee. "However, this good news could evaporate if Republican proposals to spend the Medicare surplus are enacted. The Trustees' Reports make clear that Republican claims about Medicare's so-called financing crisis are simply an excuse to raid the Medicare surplus in order to fund tax breaks for the wealthy."

Recently several Bush Administration officials have asserted that no surplus exists in the Medicare system because the surplus in Part A is overtaken by a "deficit" in Part B. However, regarding the Supplemental Medical Insurance (SMI) Trust Fund, which pays for Part B services, the Trustees state that "The SMI trust fund is expected to remain adequately financed into the indefinite future...due to current law. This is because the SMI Trust Fund reflects current law which requires approximately 75% of the Part B costs to be paid by general revenue and approximately 25% by beneficiary premiums. Contrary to GOP claims, the Medicare trustees' report confirms that the Part B Trust Fund is incapable of running a "deficit."

"If anything, this year's budget should devote more, not less, to preserving Medicare as we know it and adding coverage for prescription medication. As Republicans craft their budget proposals, I call on the President and the Republican leadership to remove the Medicare surplus from the President's contingency fund, and resist impulses to spend it on non-Part A Medicare benefits," said Rep. Stark.

"Money paid into the Medicare Trust Fund has no place in President Bush's so-called

RANGEL, STARK APPLAUD NEW MEDICARE SOLVENCY PROJECTION

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'contingency fund,"' said Rep. Rangel. "Medicare is a necessity, not a contingency. Medicare surpluses are needed for Medicare, not for tax cuts or any other programs."